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Featured Industry Insight



North East of Scotland - Driving growth, Shaping the Future

By

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Your industry insights and updates

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SPF VOICE

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Welcome from the Chair

Jonathan Guthrie

SPF Chair

Robertson Group

Another month slips by, though I did get a few days away, relaxing in Perthshire with family. The changing, autumnal colours at this time of year are stunning. Back to the keyboard!

October concluded with a couple of interesting mentoring sessions. If you have not yet signed up for the mentoring programme, I would encourage you to do so. The opportunity to stop, focus and support someone at an earlier stage in their career is a privilege indeed.

In November, the SPF team hosted two regional lunches, in Glasgow and in Edinburgh. Common themes emerged around development viability and matching City priorities with investment sector interest. It was clear that everyone - industry, representative bodies, and the SPF - understand the need to work closely, moving together in the same direction on policies and priorities.

In Glasgow; city centre residential was a lively discussion, touching on historic fabric and tall building policies. The scale of this ambition is a major opportunity for investors and developers. We also explored the need to deliver physical and social infrastructure when developing at scale in the city centre. In Edinburgh; the focus was on strategic approaches to housing delivery, including the financial tools that could help unlock and de-risk development. We also engaged with Scottish Government for round table meetings with Máiri McAllan, Ivan McKee and Michael Marra. The conversations included the Scottish Budget, Building Safety Levy and more. We provided robust feedback on the industry impact of policy and

budget objectives. We were pleased that our points were heeded and the Building Safety Levy postponed to 2028, thus giving a bit more time to understand and implement the policy. You may also have noted that the Heat in Buildings Policy is further delayed, awaiting more clarity from UK Government. We have also been following up on last month's UK Government High Street event.

It is encouraging to hear how much positive discussion there is around 'Working Together' and how this could help the economy and industry, to become more robust. Public sector bodies and private organisations are exploring this approach in several locations and sectors. This is particularly evident with the development of investment proposals and the Scotland @ MIPIM planning. If you are still not sure what is involved with this, or how to engage positively, please get in touch for a coffee and discussion. Thank you to those who have been in touch, to offer support and help, you know who you are!

Looking forward to December... I am sure you will all have packed diaries with conferences, events and end of year festivities. If it is not already in your diary... make sure you have the 3rd December highlighted. The day starts with a Scotland @ MIPIM breakfast event, kindly hosted by Brodies. Very few places remain, book here. At the other end of the day, we have the SPF Parliamentary Reception. Thanks to Robertson Group for supporting the event for us all. The following day, Cameron Stott will be supporting and addressing, the Women in Property event on the 4th Dec. By the time this lands in your mailbox, I will have been at the Scotland's Town Partnerships conference on the 27th November. More on this in the next Voice!

By the way, I passed my fitness assessment.

All the best with December!

- Jonathan

Industry Insight



Invest Aberdeen Arbuthnot House - Peterhead

North East of Scotland - Driving Growth, Shaping the Future

Danielle McKinlay

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North East Scotland, long known as the UK's oil and gas capital, is undergoing a remarkable transformation. Once defined by its offshore rigs and energy exports, the region is now positioning itself as a leader in the global shift towards renewable energy, digital innovation, and economic diversification.

The story of North East Scotland's economy is one of resilience. From its roots in fishing, farming, and manufacturing, the region surged in the late 1960s with the discovery of North Sea oil. Aberdeen quickly became the beating heart of the UK's energy sector, attracting investment and talent from around the world.

Recognising the need for change, regional leaders launched the first Regional Economic Strategy in 2015, uniting public and private sectors to focus on key industries: oil and gas, food and drink, tourism, and life sciences. This was soon followed by the Aberdeen City Region Deal, a landmark £1 billion partnership between the UK and Scottish Governments, local councils, and private investors. The deal funded innovation hubs, including ONE SeedPod and the expansion of ONE BioHub. As well as infrastructure upgrades, and digital connectivity, laying the groundwork for a more

diverse economy. The refreshed Regional Economic Strategy sets out an ambitious vision: by 2035, North East Scotland aims to lead the UK in energy transition, digital innovation, and sustainable growth.

The region's Investment Zone status is expected to unlock £160 million in government funding for high-value jobs and innovation over the next five years. In addition to nearly £30 billion of public and private infrastructure investment is due to be delivered across the region over the next decade.

Aberdeen City Council

Aberdeen is undergoing a significant transformation through Generation Aberdeen, a city centre and beachfront regeneration initiative. This programme is designed to attract investment, increase footfall, and create new opportunities for businesses. As part of this vision,

..... “
**North East Scotland
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UK in energy
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innovation and
sustainable growth.**
..... ”

Aberdeen is working to attract and incubate a vibrant mix of businesses to bring energy and excitement back to the city centre.

Aberdeen City Council's Union Street Empty Shops Grant Scheme offers grant awards of up to £35,000, on a 50% match-funded basis, to support internal renovation works of ground-floor vacant units on Union Street, Aberdeen's main thoroughfare. This enables reoccupation by new businesses and tenants. Our Union Street promotes available units on Union Street, highlighting rent and rate levels and incentives for new tenants. This is in addition to the Retail Strategy being devised, a data-driven approach to identifying gaps in the city's offering and taking steps to attract operators from these gaps.

An expert task force has also been assembled to revitalise the upper floors of Union Street, creating a 'living and liveable neighbourhood community'. The team includes council specialists in planning and building standards, alongside architects, developers, and commercial letting agents, working together to find innovative uses for unused premises above ground level. Aberdeen Inspired oversee the project, with support from Aberdeen City Council and the wider city centre business community and stakeholders. The Affordable Housing Waiver is also a driver for encouraging more residential development in the city centre.

Industry Insight Cont...

Aberdeenshire Council

Aberdeenshire Council has reaffirmed its commitment to building a strong, diverse and vibrant economy as central to the region's success. The Council is prioritising education and skills to create a workforce fit for the future. Investments in modern school facilities, apprenticeship schemes and partnerships with local businesses aim to equip young people with the knowledge and attitude needed for a dynamic economy. A sustainable economy relies on robust infrastructure. The Council continues to enhance roads, bridges, harbours and active travel routes, while working with government to deliver superfast and gigabit broadband across rural communities.

Through its Town Centre First policy, Aberdeenshire Council is tackling economic need by regenerating local areas, reducing travel emissions and promoting active lifestyles. Success stories such as Fraserburgh's award-winning regeneration are being replicated across the region. Initiatives like Scotland Loves Local and Business Gateway provide advice, grants and loans to support start-ups and growth, while sector support teams focus on diversification and reducing



Invest Aberdeen - ONE SeedPod

unemployment.

Aberdeenshire Council has secured £20 million from the UK Government's Levelling Up Fund for Banff and Buchan, including the redevelopment of Macduff Marine Aquarium and a cultural quarter in Peterhead.

Peterhead is set to play a pivotal role in Scotland's energy transition. With offshore wind projects, carbon capture initiatives like the Acorn Project, and green hydrogen developments, the town is poised

for significant growth. Over the next decade, these investments are expected to create around 3,000 new jobs and strengthen the local supply chain. Fraserburgh Harbour is also expanding its capacity to meet demand from offshore renewables, reinforcing the region's position as a hub for clean energy. With significant investment planned in energy and infrastructure, the Council recognises the need for housing to support a growing workforce. Strategic planning ensures sufficient land is allocated for new homes alongside retail and leisure developments. Affordable housing and high-quality living environments are central to attracting and retaining talent, enabling communities to thrive and supporting economic growth. The North East of Scotland is primed for business and Invest Aberdeen is here to help.

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Invest Aberdeen - Inverurie Community Campus

Policy Bites

One-year delay to the Scottish Building Safety Levy Enforcement Date

The Scottish Government has confirmed that the Scottish Building Safety Levy (SBSL) will now take effect on 1 April 2028, a year later than originally planned.

This decision follows recent evidence sessions at Holyrood, where we and other industry voices highlighted the significant challenges facing developers and the wider property market, particularly concerns about project viability during a national housing emergency.

We also stressed that the Bill, in its current form, lacks crucial detail. Key questions remain around indicative rates, exemption criteria for SMEs and definition criteria for brownfield land, as well as whether communal spaces will be included in the levy's chargeable area.

Public Finance Minister Ivan McKee

MSP stated that the revised timeline is intended to give the sector "appropriate lead-in time" to prepare. However, there will be no transitional arrangements, meaning any development completing on or after 1 April 2028 will be subject to the levy.

While the delay provides some welcome breathing space, uncertainty persists. Indicative figures are not expected until June 2026, leaving investment decisions under continued pressure.



Josie Sclater, Senior Policy Officer at SPF gave evidence to Finance and Public Administration Committee on the Scottish Building Safety Levy on 11 November

ScotGov pivots on Heat in Buildings Bill

There are several important updates in this space.

First, on 18 November Mairi McAllan MSP, the Cabinet Secretary for Housing, announced that the Heat in Buildings Bill, designed to replace direct-emission heating systems in all Scottish buildings by 2045, 'as far as reasonably practicable' has been scrapped. The primary reason cited for this delay is the uncertainty surrounding UK Government policies, particularly the lack of clarity around energy costs.

Secondly, on the same day the government published a draft bill as a replacement, outlining its future intentions which reaffirms the 2045 target for decarbonising heating, but the legislation will not come until the new parliament.

Key Issues in the new Draft Buildings (Heating and Energy Performance) and Heat Networks (Scotland) Bill

include:

- Elimination of direct-emission heating by 2045, "as far as reasonably practicable."
- Energy efficiency standards for all homes by 2033 (Private Rented Sector from 2028).
- A requirement for clean-heating installation within a defined period after property purchase.
- A strong policy emphasis on heat networks.
- Framework only - implementation will depend on legislation introduced in the next parliament.

Finally, at the same time, there is ongoing consultation into the proposed Minimum Energy Efficiency Standards for the Private Rented Sector where all new tenancies from 2028 and all

tenancies by 2033 will need to achieve an EPC rating of C.

In a recent SPF Committee meeting, the government signaled that a Heat Retention Rating (HRR) in the reformed Energy Performance Certificate (EPC), will become the primary benchmark for PRS energy compliance. The HRR gauges how well a property retains heat, shifting emphasis to insulation and fabric improvements.

Concerns about industry readiness, skills shortages, and financial viability, especially given the timeline of 2028 for new tenancies have been strongly relayed. Technical exemptions and the need for tailored guidance were discussed at length.

SPF Snapshot:

Our work at a glance

SPF road trip

Glasgow Lunch

This month we met with Glasgow City Council and members kindly hosted by Morton Fraser MacRoberts to discuss key issues for the city. There was a strong focus on city centre regeneration including the types and need for city centre living. Co-living was discussed as an emerging and potentially important housing tenure as well as the conversion of vacant listed buildings.

Edinburgh Lunch

At our Edinburgh Regional Working Lunch on 12 November, hosted by Shoosmiths, we met with City of Edinburgh Council representatives to discuss infrastructure and viability challenges, including affordable housing contributions and the ambitious targets in City Plan 2030. Members reported cautious investor sentiment alongside strong suburban housing demand and resilient prime commercial and rental markets. The Council outlined progress in launching an infrastructure commission and exploring new funding models for housing and infrastructure delivery.

Key Engagements

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A round-up of our key engagements and topics we discussed with the Scottish Government and local authority officials this month to support our members in driving a diverse, successful and sustainable real estate industry in Scotland.

Meeting with Cabinet Secretary for Housing Mairi McAllan MSP

We attended a breakfast hosted by Scotland 2050 with the Cabinet Secretary for Housing Mairi McAllan MSP to focus on accelerating housing provision.

Meeting with Minister for Public Finance Ivan McKee MSP

We attended a meeting organised by the Minister for Public Finance, Ivan McKee MSP to focus on budget considerations ahead of its delayed publication in January 2026.

Trade Association Scotland (TAS) Roundtable

We attended the TAS roundtable, joined by Labour's Shadow Finance Minister, Michael Marra at the Scottish Parliament along with other Trade Association representatives.

Non-Domestic Rates Sub Group

We've attended two meetings this month chaired by the Minister for Public Finance, Ivan McKee MSP and a number of industry stakeholders on policy around non-domestic rates.

PBSA Review Group

We attended the Scottish Government's Purpose Built Student Accommodation Review Group, comprised of key stakeholders to focus on the emerging code of conduct and other recommendations that came from the original review.

Building Safety Levy Engagements

We gave evidence to the Finance and Public Administration Committee on the Scottish Building Safety Levy. Separately, we also attended a stakeholder group focussed on the calculation methodology of the levy.

SPF Annual Conference 2026



PROFESSOR SIR JOHN CURTICE

Political Insights Speaker

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